



PHILIP L. BROWNING
Director

SHERYL L. SPILLER
Chief Deputy

County of Los Angeles
DEPARTMENT OF PUBLIC SOCIAL SERVICES

12860 CROSSROADS PARKWAY SOUTH • CITY OF INDUSTRY, CALIFORNIA 91746
Tel (562) 908-8400 • Fax (562) 908-0459



Board of Supervisors
GLORIA MOLINA
First District
MARK RIDLEY-THOMAS
Second District
ZEV YAROSLAVSKY
Third District
DON KNABE
Fourth District
MICHAEL D. ANTONOVICH
Fifth District

January 13, 2009

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**RECOMMENDATION TO ACCEPT GRANT FUNDS FROM THE
INTERNAL REVENUE SERVICE TO SUPPORT THE VOLUNTEER INCOME
TAX ASSISTANCE PROGRAM DURING THE 2009 TAX SEASON FOR
FOOD STAMP AND MEDI-CAL FAMILIES
(ALL DISTRICTS AFFECTED) (4 VOTES)**

SUBJECT

Authorize the Director of the Department of Public Social Services (DPSS) to accept grant funds from the Internal Revenue Service (IRS) to be utilized for the administration of the Volunteer Income Tax Assistance (VITA) Program. The IRS will match DPSS on a dollar-for-dollar basis up to the grant amount on any non-federal funding during the 2009 tax season.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Director of DPSS to accept the VITA grant award from the IRS in the amount of \$59,000.
2. Authorize the Director of DPSS to execute the IRS Grant Agreement for the VITA grant and any required term extensions, modifications and/or agreements, and to accept additions or reductions to this grant.
3. Approve an appropriation adjustment in the amount of \$59,000 to increase appropriation and revenue in the Administration Budget.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The DPSS VITA Program provides free and reliable tax preparation services to all CalWORKs, Food Stamp, and Medi-Cal working participants with children. The DPSS VITA Program has also assisted our participants in claiming tax credits, such as the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC).

On August 14, 2008, DPSS informed your Board that the 2008 DPSS VITA Program assisted in filing over 2,800 income tax returns for a total refund amount of \$6.8 million. Over \$4.5 million were directly from the EITC claims by DPSS participants. We believe this is money that directly impacts the economic stability of our participants and positively contributes to the local economy.

In addition, since the implementation of the Program in 2005, the DPSS VITA Program has saved our participants a substantial amount of money by not having to pay high fees for commercial tax preparation and filing for their income taxes. We estimate saving DPSS participants over \$400,000 in tax preparation fees during the 2008 tax season.

Accepting the IRS grant will enable DPSS to continue providing Medi-Cal and Food Stamp working families with this valuable service of free and reliable tax preparation while reducing the overall net County cost (NCC) expenditures.

Implementation of Strategic Plan Goals

The recommended actions are consistent with and support the principles of the Countywide Strategic Plan, Goal 5: Children and Families' Well-Being, as measured by achievements in the five outcome areas adopted by your Board: good health, economic well-being, safety and survival, social and emotional well-being, and education/workforce readiness.

FISCAL IMPACT/FINANCING

Your Board approved and the Chief Executive Office budgeted \$125,000 of NCC funding to be used strictly for the VITA Program. The acceptance of the grant will reduce NCC to support the DPSS VITA Program for Medi-Cal and Food Stamp families by approximately 47% during the 2009 tax season, and therefore reduce the NCC for the VITA Program to \$66,000.

While the costs of providing VITA services to employed CalWORKs participants are funded by Federal, State and County funds, VITA services for employed families receiving Medi-Cal and/or Food Stamp without CalWORKs must be funded by NCC.

For 2009, we project that total VITA costs for Medi-Cal and Food Stamp families will be \$125,000. This grant will cover \$59,000 of that \$125,000 cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Current County policy provides that a grant application may be sent under a department head's signature authority and that the Board be informed when an award is granted. Only the Board of Supervisors has the authority to obligate the County for an agreement such as a grant.

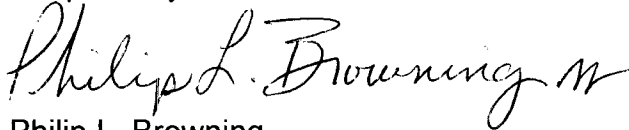
IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended action will help reduce NCC to provide our working families with reliable tax services and to increase awareness about federal tax credits such as the EITC and CTC. The DPSS VITA Program has contributed to the enhancement and integration of the services the County provides to our communities, greatly assisting DPSS families to become self-sufficient, and bringing needed federal dollars to the local economy.

CONCLUSION

The Executive Officer, Board of Supervisors, is requested to return one adopted stamped Board Letter to the Director of DPSS.

Respectfully submitted,

A handwritten signature in cursive script that reads "Philip L. Browning".

Philip L. Browning
Director

PLB:pa

c: Executive Officer, Board of Supervisors
Chief Executive Officer
Deputy Chief Executive Officer
County Counsel
Auditor-Controller